

Volunteer Income Tax Assistance (VITA) Centers

Help for Low-income Families Through a Federal Partnership

The Community Capacity Development Office (CCDO) is partnering with the Internal Revenue Service (IRS) to promote asset development for low-income individuals by establishing Volunteer Income Tax Assistance (VITA) centers in Weed and Seed sites. VITA centers offer free tax help to people whose incomes are \$36,000 or less, many of whom are eligible for untapped Earned Income Tax Credit (EITC) and Child Tax Credits.

How Will It Work?

The IRS will provide training, software, and technical assistance to the sites to recruit and train volunteers to operate a VITA center in their Safe Haven. By bringing free tax services to families, the government can help low-income individuals and families access tax credits, reduce their tax burden, file tax obligations, and increase their disposable income.

Each Weed and Seed site will be asked to identify a location—preferably their Safe Haven—that has access to computers and the Internet and to recruit community volunteers to staff the center. The IRS provides guidance on how to identify appropriate center volunteers and also will assist in tracking the number of families served, number of dollars these families save through the EITC, and number of tax returns filed as compared with previous years. The free tax services are provided to residents on a one-to-one basis and can be scheduled to accommodate availability of the host site and the volunteers.

The 2004 sites (Gastonia, NC; Grand Rapids, MI; and Phoenix, AZ) were selected based on a cross-reference with strong IRS and Weed and Seed support systems, geographic and demographic distribution, and local site interest in neighborhood revitalization and economic development activities.

CCDO and the IRS are committed to replicating the model in a minimum of 50 Weed and Seed sites by the 2006 tax year.

What Will It Accomplish?

The partnership will:

- Assist low-income individuals and families in meeting their tax obligations by providing educational outreach and information on earned income tax credits, child care tax credits, and individual development accounts.
- Provide free tax preparation and free electronic filing of federal tax returns.
- ◆ Provide and disseminate information on how tax credits can be used to build assets.

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